

**ECONOMIC AND FISCAL IMPACT STATEMENT**  
(REGULATIONS AND ORDERS)

STD. 399 (Rev. 2-98)

See SAM Sections 6600 - 6680 for Instructions and Code Citations

DEPARTMENT NAME Secretary of State	CONTACT PERSON Pam Giarrizzo, Chief Counsel	TELEPHONE NUMBER (916) 653-7244
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Post Election Manual Tally Requirements for Close Contests		NOTICE FILE NUMBER Z

**ECONOMIC IMPACT STATEMENT****A. ESTIMATED PRIVATE SECTOR COST IMPACTS** (Include calculations and assumptions in the rulemaking record.)

1. Check the appropriate box(es) below to indicate whether this regulation:

- |   |   |
|---|---|
| <input type="checkbox"/> a. Impacts businesses and/or employees | <input type="checkbox"/> e. Imposes reporting requirements  |
| <input type="checkbox"/> b. Impacts small businesses            | <input type="checkbox"/> f. Imposes prescriptive instead of performance standards                                   |
| <input type="checkbox"/> c. Impacts jobs or occupations         | <input type="checkbox"/> g. Impacts individuals   |
| <input type="checkbox"/> d. Impacts California competitiveness  | <input type="checkbox"/> h. None of the above (Explain below. Complete the Fiscal Impact Statement as appropriate.) |

h. (cont.) Impact is restricted to local elections officials.

(If any box in Items 1 a through g is checked, complete this Economic Impact Statement.)

2. Enter the total number of businesses impacted: \_\_\_\_\_ Describe the types of businesses (Include nonprofits): \_\_\_\_\_

Enter the number or percentage of total businesses impacted that are small businesses: \_\_\_\_\_

3. Enter the number of businesses that will be created: \_\_\_\_\_ eliminated: \_\_\_\_\_

Explain: \_\_\_\_\_

4. Indicate the geographic extent of impacts: ☐ Statewide ☐ Local or regional (list areas): \_\_\_\_\_

5. Enter the number of jobs created: \_\_\_\_\_ or eliminated: \_\_\_\_\_ Describe the types of jobs or occupations impacted: \_\_\_\_\_

6. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here?

☐ Yes ☐ No If yes, explain briefly: \_\_\_\_\_**B. ESTIMATED COSTS** (Include calculations and assumptions in the rulemaking record.)

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ \_\_\_\_\_

a. Initial costs for a small business: \$ \_\_\_\_\_ Annual ongoing costs: \$ \_\_\_\_\_ Years: \_\_\_\_\_

b. Initial costs for a typical business: \$ \_\_\_\_\_ Annual ongoing costs: \$ \_\_\_\_\_ Years: \_\_\_\_\_

c. Initial costs for an individual: \$ \_\_\_\_\_ Annual ongoing costs: \$ \_\_\_\_\_ Years: \_\_\_\_\_

d. Describe other economic costs that may occur: \_\_\_\_\_

**ECONOMIC AND FISCAL IMPACT STATEMENT *cont. (STD. 399, Rev. 2-98)***

2. If multiple industries are impacted, enter the share of total costs for each industry: \_\_\_\_\_  
\_\_\_\_\_
3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. *(Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.):* \$ \_\_\_\_\_
4. Will this regulation directly impact housing costs? ☐ Yes ☐ No If yes, enter the annual dollar cost per housing unit: \$ \_\_\_\_\_ and the number of units: \_\_\_\_\_
5. Are there comparable Federal regulations? ☐ Yes ☐ No Explain the need for State regulation given the existence or absence of Federal regulations: \_\_\_\_\_  
\_\_\_\_\_
- Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ \_\_\_\_\_

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**C. ESTIMATED BENEFITS** *(Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)*

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1. Briefly summarize the benefits that may result from this regulation and who will benefit: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. Are the benefits the result of: ☐ specific statutory requirements, or ☐ goals developed by the agency based on broad statutory authority?  
Explain: \_\_\_\_\_
3. What are the total statewide benefits from this regulation over its lifetime? \$ \_\_\_\_\_

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**D. ALTERNATIVES TO THE REGULATION** *(Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)*

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1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:
- |                |                   |                |
|----------------|-------------------|----------------|
| Regulation:    | Benefit: \$ _____ | Cost: \$ _____ |
| Alternative 1: | Benefit: \$ _____ | Cost: \$ _____ |
| Alternative 2: | Benefit: \$ _____ | Cost: \$ _____ |

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? ☐ Yes ☐ No  
Explain: \_\_\_\_\_

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**E. MAJOR REGULATIONS** *(Include calculations and assumptions in the rulemaking record.)*  
*Cal/EPA boards, offices and departments are subject to the following additional requirements per Health and Safety Code section 57005.*

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ECONOMIC AND FISCAL IMPACT STATEMENT *cont. (STD. 399, Rev. 2-98)*

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million? ☐ Yes    No    *(If No, skip the rest of this section)*
2. Briefly describe each equally as effective alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:
- Alternative 1: \_\_\_\_\_
- Alternative 2: \_\_\_\_\_
3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:
- |                |          |                                 |
|----------------|----------|---------------------------------|
| Regulation:    | \$ _____ | Cost-effectiveness ratio: _____ |
| Alternative 1: | \$ _____ | Cost-effectiveness ratio: _____ |
| Alternative 2: | \$ _____ | Cost-effectiveness ratio: _____ |

**FISCAL IMPACT STATEMENT**

A. FISCAL EFFECT ON LOCAL GOVERNMENT *(Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years)*

- ☒ 1. Additional expenditures of approximately \$ 20,000.00 in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:
- ☐ a. is provided in (Item \_\_\_\_\_, Budget Act of \_\_\_\_\_) or (Chapter \_\_\_\_\_, Statutes of \_\_\_\_\_)
- ☒ b. will be requested in the 2009-10 Governor's Budget for appropriation in Budget Act of 2009  
(FISCAL YEAR)
- ☐ 2. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:
- ☐ a. implements the Federal mandate contained in \_\_\_\_\_
- ☐ b. implements the court mandate set forth by the \_\_\_\_\_  
court in the case of \_\_\_\_\_ vs. \_\_\_\_\_
- ☐ c. implements a mandate of the people of this State expressed in their approval of Proposition No. \_\_\_\_\_ at the \_\_\_\_\_  
election; (DATE)
- ☐ d. is issued only in response to a specific request from the \_\_\_\_\_  
\_\_\_\_\_, which is/are the only local entity(s) affected;
- ☐ e. will be fully financed from the \_\_\_\_\_ authorized by Section \_\_\_\_\_  
(FEES, REVENUE, ETC.)  
\_\_\_\_\_ of the \_\_\_\_\_ Code;
- ☐ f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit.
- ☐ 3. Savings of approximately \$ \_\_\_\_\_ annually.
- ☐ 4. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law and regulations.



**ECONOMIC AND FISCAL IMPACT STATEMENT *cont.* (STD. 399, Rev. 2-98)**

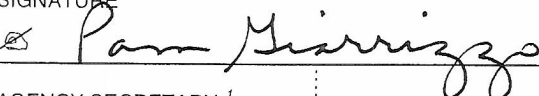


- ☐ 5. No fiscal impact exists because this regulation does not affect any local entity or program.
- ☐ 6. Other.

**B. FISCAL EFFECT ON STATE GOVERNMENT** *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)*

- ☐ 1. Additional expenditures of approximately \$\_\_\_\_\_ in the current State Fiscal Year. It is anticipated that State agencies will:
- ☐ a. be able to absorb these additional costs within their existing budgets and resources.
- ☐ b. request an increase in the currently authorized budget level for the \_\_\_\_\_ fiscal year.
- ☐ 2. Savings of approximately \$\_\_\_\_\_ in the current State Fiscal Year.
- ☒ 3. No fiscal impact exists because this regulation does not affect any State agency or program.
- ☐ 4. Other.

**C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS** *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)*

- ☐ 1. Additional expenditures of approximately \$\_\_\_\_\_ in the current State Fiscal Year.
- ☐ 2. Savings of approximately \$\_\_\_\_\_ in the current State Fiscal Year.
- ☒ 3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.
- ☐ 4. Other.

SIGNATURE		TITLE
		Chief Counsel
AGENCY SECRETARY <sup>1</sup>		DATE
APPROVAL/CONCURRENCE		10/9/08
DEPARTMENT OF FINANCE <sup>2</sup>	PROGRAM BUDGET MANAGER	DATE
APPROVAL/CONCURRENCE		

1. The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6600-6680, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.
2. Finance approval and signature is required when SAM sections 6600-6670 require completion of the Fiscal Impact Statement in the STD. 399.

STD. 399 Attachment  
Fiscal Impact Statement  
A. Fiscal Impact on Local Government

Current Fiscal Year: \$20,000.00

The estimate of additional expenditures of \$20,000.00 in the current State Fiscal Year is based upon the Secretary of State's survey of the seven counties that conducted Post Election Manual Tallies in the June 2008 Statewide Primary Election (copy attached). The estimate is based on the assumption that a similar number of counties will incur costs in similar amounts, totaling approximately \$10,000.00, in the November 2008 General Election and again in a Special Election that the Governor has indicated he intends to call in the first half of 2009.

Funding will be requested in the 2009-10 Governor's Budget for appropriation in the Budget Act of 2009

0890-108-0001--For local assistance, funding to counties.....XX,XXX

Provisions:

1. The funds authorized in this item may be apportioned to the counties by the Controller, consistent with the requirements of Provision 2, in amounts not to exceed the following:

(a) County... XX,XXX

2. Upon receipt of a report, signed and certified as true and accurate by the county clerk or county registrar of voters, that identifies the total costs for staff salaries, services and supplies, and postage, the Controller shall pay the reported costs of the counties for the XXXXX election (s).

Two Subsequent Fiscal Years

FY 2009-10: \$10,000.00

This estimate is also based on the survey of costs in the June 2008 Statewide Primary Election. Only one statewide election, the June 2010 Statewide Primary Election, is scheduled in FY 2009-10.

FY 2010-11: \$10,000.00

This estimate is also based on the survey of costs in the June 2008 Statewide Primary Election. Only one statewide election, the November 2010 General Election, is scheduled in FY 2010-11.

June 2008 Statewide Primary  
PEMT Cost Chart

	County	Staff Hours	Total Cost	Overall cost of election for the county	Total ballots cast in the contest	% of precincts hand tallied	Total ballots hand tallied	Cost per ballot hand tallied	Cost per ballots in the contest
1.	Alameda								
2.	Fresno								
3.	Imperial								
4.	Marin	8	\$160	\$	532	100%	515 <sup>1</sup>	\$0.31	\$0.30
5.	Riverside	136 <sup>2</sup>	\$1,300	\$	43,011	10%	336	\$3.86	\$0.03
6.	San Mateo	24	\$500	\$	13,344 <sup>3</sup>	10%	4955	\$0.52	\$0.04
7.	Santa Clara	227	\$9,131 <sup>5</sup>	\$	11,286	15%	2,079	\$4.39	\$0.81
	Average	99	\$2,773		17,043		971	\$2.27	\$0.30

<sup>1</sup> An additional 17 ballots (14 provisional, and 3 duplicated ballots) were counted in the final tally of ballots, which occurred after the manual tally began. Those ballots were not included in the manual tally.

<sup>2</sup> Riverside based its estimate on 17 people for one day. The estimate does not include ROV management hours.

<sup>3</sup> San Mateo conducted two PEMT audits: local measures N (8,532 ballots) and P (4,812 ballots).

<sup>4</sup> A total of four additional precincts (containing X ballots) were counted for the PEMT audits.

<sup>5</sup> These costs include one-time costs associated with preparing and conducting the first ever PEMT audit in Santa Clara County. According to the Santa Clara County PEMT report to the SOS: "The PEMT required a total 192 hours of extra help staff time, including preparation, training, and conducting the PEMT. An additional 35 hours were required for [managers] to draft procedures, prepare materials, supervise the process, and make reports."